

16 JUL 1965

MEMORANDUM FOR: Emmett D. Echols, Director of Personnel

SUBJECT: Severance Pay Bills, H. R. 8424 and S. 2086

25X1A 1. [] indicated that you would be interested in a report on the Administration's proposal for severance pay.

2. Attached are two identical bills on this subject which have been introduced and are supported by the Administration. It is believed that these bills have previously been submitted to your office.

3. Formula:

(a) One week's basic compensation at rate received immediately before separation for each year of first ten years of civilian service; plus

(b) Two weeks' basic compensation for each year past ten years of civilian service; plus

(c) An additional 10 per cent of the severance allowance for each year the recipient is over forty years of age at time of separation--this is called an age adjustment allowance.

(d) Overall limitation on severance pay is not to exceed one year's pay at rate received immediately before separation.

4. Criteria. Although the bill is of general applicability, areas in which it does not apply and which are of particular interest to the Agency are:

(a) To individuals serving an appointment with a definite time limitation. This proviso would appear to exclude our contract personnel with the exception of career agents and the limited appointment categories set forth in the []

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| DOC | 4 | REV DATE | 04/03/82 | BY | 018995 |
| ORIG COMP | — | OPI | 32 | TYPE | 01 |
| ORIG CLASS | 5 | PAGES | 12 | REV CLASS | 4 |
| JUST | 22 | NEXT REV | 22 | AUTH: | HR 70-2 |

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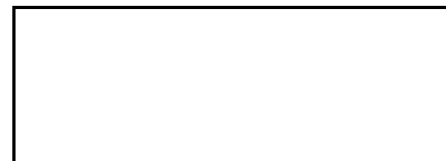
(b) Alien employees serving abroad. In most instances they would be excluded under (a) above.

(c) An employee who, at the time of separation from the service, is entitled to receive other severance pay from the Government. Since our severance pay program is permissive and not an entitlement, this does not exclude the application of the Act to Agency employees.

In addition to the above exclusions from the bill and three others not commented upon, you will note that Section 7 on Page 2 provides the President with authority to grant such other exclusions from the operation of the bill as he may wish.

5. Conditions of Eligibility. Section 3(a) makes the severance pay applicable to involuntary separations without cause.

6. Status. No action has been taken by the Senate Committee on S. 2806. The House Civil Service and Post Office Committee has considered H. R. 8424, but the present thinking is that it will be included as an amendment to the civilian pay bill now being considered by the Committee. As of this date, the Committee staff is unable to predict when the pay bill will be reported out of Committee.



Office of Legislative Counsel

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Attachments (2)

Distribution:

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